

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4804-01  
Bill No.: HB 1662  
Subject: Economic Development Dept.; Entertainment, Sports and Amusements; Licenses  
- Professional  
Type: Original  
Date: February 28, 2006

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**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>
Athletic	\$0	\$35,390	\$8,650
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$35,390</b>	<b>\$8,650</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 4 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

### **FISCAL ANALYSIS**

#### **ASSUMPTION**

Officials from the **Department of Revenue** and **Office of State Treasurer** assume the proposal will have no fiscal impact on their organizations.

Officials from the **Office of Secretary of State (SOS)** state the fiscal impact for this proposal to the SOS for administrative rules is less than \$1,500. The SOS does not expect additional funding would be required to meet these costs. However, the SOS recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with its core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the Governor.

Officials from the **Department of Economic Development - Division of Professional Registration (DED-PR)** estimate there would be approximately 30 events per year. It is estimated that the proposal would result in additional license and event fee revenue of \$31,250 for FY 08 and \$4,965 for FY 09. Licenses would be biennial. The DED-PR also estimates each event will provide an additional \$700, or \$21,000 annually in tax revenue to the Athletic Fund (Section 317.006.1(3)). The DED-PR assumes license and event fees and the additional tax revenue would not occur until FY 08.

ASSUMPTION (continued)

Each event would need four (4) inspectors (two existing state employees plus two per diem inspectors). The DED-PR estimates \$150 in expenses per state employee (includes meals and lodging) per event and \$100 for each per diem inspector. Mileage for state vehicles is estimated to be \$56 per event.

**This proposal will result in an increase in total state revenue.**

<u>FISCAL IMPACT - State Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
<b>ATHLETIC FUND</b>			
<u>Income - Department of Economic Development</u>			
License fee revenue	\$0	\$31,250	\$4,695
Additional tax revenue	<u>\$0</u>	<u>\$21,000</u>	<u>\$21,000</u>
Total <u>Income</u> - Department of Economic Development	<u>\$0</u>	<u>\$52,250</u>	<u>\$25,695</u>
<u>Costs - Department of Economic Development</u>			
Per diem and expenses	<u>\$0</u>	<u>(\$16,860)</u>	<u>(\$17,045)</u>
<b>ESTIMATED NET EFFECT ON ATHLETIC FUND</b>	<b><u>\$0</u></b>	<b><u>\$35,390</u></b>	<b><u>\$8,650</u></b>
 <u>FISCAL IMPACT - Local Government</u>			
	FY 2007 (10 Mo.)	FY 2008	FY 2009
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

This proposal may impact small businesses that obtain licenses and sponsor covered events.

DESCRIPTION

This proposal requires contestants participating in boxing, kickboxing, wrestling, full-contact karate, or mixed martial arts to sign a bout contract with the event promoter before each contest

DESCRIPTION (continued)

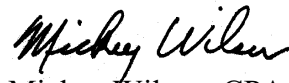
which specifies their weight, how much they are being paid, and the date and location of the event.

The proposal also defines "mixed martial arts."

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Economic Development -  
Division of Professional Registration  
Department of Revenue  
Office of Secretary of State  
Office of State Treasurer

  
Mickey Wilson, CPA  
Director  
February 28, 2006